

FINAL
PRESS RELEASE

ACEN pioneers energy transition financing to enable more renewables

- ₱13.7B senior secured term loan facility for SLTEC plant
- The first step towards the company's 244 MW coal plant's transition to cleaner technology by 2040 – 15 years earlier than the end of its technical life
- Key step to accelerating ACEN's energy transition goal and achievement of net zero greenhouse gas emissions commitment by 2050

April 11, 2022 – ACEN, the Ayala group's listed energy platform, successfully signed an Amended and Restated Omnibus Loan and Security Agreement for its wholly-owned subsidiary, South Luzon Thermal Energy Corporation (SLTEC) with Bank of Philippine Islands and Rizal Commercial Banking Corporation as lenders. The loan facility of up to ₱13.7 billion is intended to (a) refinance SLTEC's outstanding ₱9.8 billion loan facility (b) fund the partial redemption of capital in SLTEC held by ACEN, subject to regulatory approvals; and (c) finance other transaction-related expenses. ACEN, in turn, shall use the proceeds of the equity redemption to reinvest in renewable energy projects.

Together with the Ayala group, ACEN announced its commitment to net-zero greenhouse gas emissions by 2050 in November last year. This goal is supported by key milestones that will bring ACEN generation output to 100% renewable energy by 2025.

Through this mechanism, ACEN's coal-fired power plant with a capacity of 244 MW in Calaca, Batangas shall be decommissioned by 2040, 15 years ahead of the end of its technical life. This transaction shall serve as a pioneer energy transition financing in the country.

The concept adopts the principles of the "Energy Transition Mechanism" (ETM) being piloted by the Asian Development Bank (ADB) in South and Southeast Asia. ETM aims to use public, private, and philanthropic financing to provide low-cost capital to coal-fired power plants to accelerate their retirement and help jumpstart reliable and affordable clean energy. ADB announced an ETM partnership involving the Philippines and Indonesia at COP26 in Glasgow last year. ETM is also consistent with the Department of Finance's goal to retire coal-fired power plants and transition to clean energy.

"In leading the energy transition, enabling mechanisms such as the ETM help accelerate our shift to a low carbon growth path and unlock new renewable energy investments," said Eric Francia, ACEN President & CEO. "It is through this shared commitment between the public and private sectors towards achieving a low carbon economy, and our collective action for a sustainable and inclusive future that we can truly make an impact on our climate goals."

"We are pleased to see that, along with strong support for climate financing from various financial institutions, groundbreaking initiatives such as the ETM are gaining momentum across the Asia Pacific," said Cora Dizon, ACEN's Chief Finance Officer. "Leveraging on sustainable

policies and clean energy funding are essential for ACEN to sustain its leading position in renewable energy development and net zero ambition.”

“Energy transition will not be possible without responsible and proactive private sector actors. We commend the Ayala group and ACEN for the signing of this groundbreaking transaction, which is consistent with ADB's Energy Transition Mechanism to provide a pathway from fossil fuels to renewable energy. Their actions demonstrate that we can all accomplish more together, and that we have no time to wait when it comes to the accelerated decommissioning of coal-fired power,” said Ahmed M. Saeed, Vice President of ADB.

BPI Capital Corporation is the Mandated Lead Arranger and Sole Bookrunner, while RCBC Capital Corporation is the Lead Arranger.

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About ACEN (Formerly AC Energy)

ACEN is the listed energy platform of the Ayala Group. The company has ~3,800 MW of attributable capacity in the Philippines, Vietnam, Indonesia, India, and Australia. The company's renewable share of capacity is at 87%, among the highest in the region.

ACEN's aspiration is to be the largest listed renewables platform in Southeast Asia, with a goal of reaching 5,000 MW of renewables capacity by 2025. In October 2021, ACEN announced its commitment to achieve net-zero greenhouse gas emissions by 2050.

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